BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2011-40-E - ORDER NO. 2012-99

FEBRUARY 3, 2012

IN RE: Application of Duke Energy Carolinas, LLC
for Approval of Rider EE Vintage 0 Revenue
Requirement

ORDER APPROVING
APPLICATION TO
RECOVER COSTS
DEFERRED IN
CONNECTION WITH
THE IMPLEMENTATION
OF VINTAGE 0 EE
PROGRAM

This matter comes before the Public Service Commission of South Carolina ("Commission") on the Application of Duke Energy Carolinas, LLC ("Duke" or the "Company") for approval of costs deferred in connection with implementation of the Vintage 0 energy efficiency ("EE") program in accordance with the modified Save-A-Watt ("SAW") recovery mechanism approved in Order No. 2010-79. Vintage 0 covers the period of June 1, 2009 through January 31, 2010 ("Vintage 0 Period") and represents the "start-up" period for the Duke SAW programs. The Commission approves Duke's request to recover the Vintage 0 Revenue Requirement as an offset to the Company's existing DSM balance, as provided in Order No. 2010-79. Duke is requesting the recovery of \$3,091,329 from residential customers and \$2,873,873 from non-residential customers, totaling \$5,965,202.

On September 6, 2011, the Southern Alliance for Clean Energy and the South Carolina Coastal Conservation League (collectively, "Environmental Intervenors") submitted comments and recommendations concerning the Vintage 0 Application. The

Environmental Intervenors requested an explanation from the Company regarding its use of the 15% earning cap in calculating the Vintage 0 Revenue Requirement, which the Company provided through a supplemental letter filed on September 6, 2011. The Environmental Intervenors additionally recommended that the Company: (i) provide a schedule or timeline for completing and filing future Evaluation, Measurement & Verification (EM&V) reports so it is clear when vintages will be verified and finalized; (ii) provide a clear timeline for applying EM&V results to energy savings estimates for each program in the mid-term and final true-ups; and (iii) include an energy savings true-up for Vintage 0 in its Vintage 3 Rider filing.

On December 30, 2011, the Office of Regulatory Staff ("ORS") filed its review letter requesting that the Commission reduce the Company's requested amount by \$58,686, resulting in a revised recovery amount of \$5,906,516. Additionally, ORS stated that it agrees with the Environmental Intervenors' recommendations. We agree with the suggested revisions by ORS and recommendations by the Environmental Intervenors. Given that the Vintage 3 Rider filing was made by the Company before the Commission approved any recovery amount for Vintage 0, we amend the Environmental Intervenors' third recommendation to allow the Company to include a true-up for Vintage 0 in the Vintage 4 Rider filing, as opposed to the Vintage 3 Rider filing, and we direct the Company to supplement its pending mid-term true-up (Vintage 3) application with a clear timeline for applying EM&V results to energy savings estimates for each program.

IT IS THEREFORE ORDERED:

- 1. Duke's request to recover the Vintage 0 Revenue Requirement, as amended by ORS, of \$5,906,516 as an offset to the Company's existing DSM balance is approved.
- 2. The Company shall provide a schedule or timeline for completing future EM&V reports and file those reports with the Commission upon completion; provide a clear timeline for applying EM&V results to energy savings estimates for each program in the final true-up and supplement the pending mid-term true-up with this information; and include an energy savings true-up for Vintage 0 in its Vintage 4 Rider filing.
- 3. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

John E. Howard, Chairman

ATTEST:

David A. Wright, Vice Chairman

(SEAL)